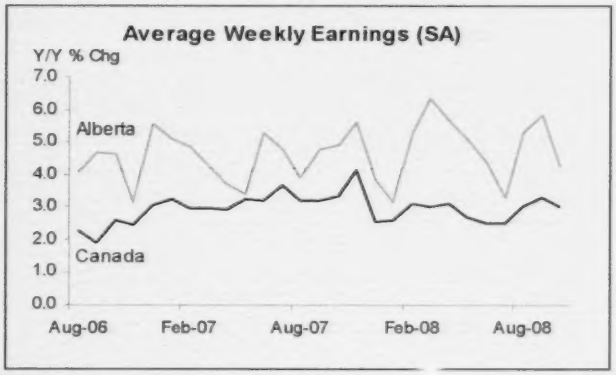
Average Weekly Earnings

Earnings growth moderated in October...

In October, growth in average weekly earnings moderated to 4.3% year-over-year, compared to year-to-date average growth of 4.9%. Nonetheless, Alberta still had the highest average weekly earnings level ($888.7) and growth among the provinces. Nationally, average weekly earnings were up 3.0% year-over-year.



Canadian Real GDP

Real GDP slips in October...

Canadian real GDP declined 0.1% in October signalling the beginning of a poor fourth quarter. The decline was largely driven by weakening wholesale and international trade. Year-over-year, Canadian real GDP was up 0.2%.

US Housing Market

Continued deterioration in US Housing Market...

In October, the S&P/Case-Shiller home-price index fell 2.2% from September and was down 18.0% from October 2007. All 20 cities in the index registered monthly price declines. Despite significant house price declines in October, new and existing home sales fell further in November, by 2.9% and 8.6% respectively.

S&P/TSX Composite Index

Equity markets plunged in 2008...

Global equity markets experienced one of their worst declines since the 1930s. The TSX declined to 7,725 by late November as a result of the financial crisis, detoriating economic conditions, and declining commodity prices. Since then the TSX has shown some signs of stabilization and closed at just under 9,000. The TSX fell 35% in 2008.

↑	**Canadian Dollar (USc/CS)**	
	January 2, 2008	82.60
	December 19, 2008	81.47
	2008-09 YTD	92.63
↑	**WTI Oil US$/bbl**	
	December 31, 2008	$ 44.60
	December 18, 2008	$ 36.22
	2008-09 YTD	$ 100.66
↑	**Nymex Natural Gas CS/MMBtu ***	
	December Contract	
	January 2, 2008	$ 7.34
	December 19, 2008	$ 6.80

*Estimate based on Nymex Futures Market Price

Oil Prices

A dramatic year for oil...

Following three years of strong growth, oil prices continued their upward trend through to July, driven by strong demand from emerging markets, geopolitical uncertainty, and hedge fund buying. Oil peaked at US$147.27 in July and subsequently fell to a four year low (US$33.87) by mid-December. Since then, production cuts by OPEC, developments in Israel and Russia, and stabilization of financial markets have supported oil prices. Oil prices rallied in the final days of 2008 and the first day of 2009, trading near US$46 per barrel.

Canadian Dollar

A volatile year for the Canadian dollar...

After significant growth in 2007, the Canadian dollar depreciated in 2008. Opening slightly stronger than its US counterpart, the dollar ranged between 95 and 105 cents US until early August. Over the remaining 4 months, the loonie fell significantly as commodity prices retreated and investors flocked to the safety of the US dollar. The Canadian dollar bottomed out in early December at 77 cents and has since shown signs of recovery closing at 81.7 cents on December 31st.

Happy New Year! Here's to a recovery in '09!

Alberta CURRENT ECONOMIC INDICATORS

January 2, 2009

Overall Economy	2006	2007	2008YTD*	June	July	August	Sept	Oct	Nov
Real GDP (in 2002 $billions)	181.8	187.5	--	--	--	--	--	--	--
% change	6.1	3.1	--	--	--	--	--	--	--
Population[1] (000's) (level)	3,421	3,511	3,585	--	3,585	--	--	3,611	--
% change	3.0	2.6	2.1	--	2.1	--	--	2.4	--
Net Interprovincial Migraton[1] (level)	45,795	33,809	10,010	--	6,730	--	--	4,927	--
Net International Migration[1] (level)	15,646	16,136	19,283	--	6,340	--	--	4,907	--
Net Non-permanent Residents[1] (level)	5,633	13,539	17,890	--	7,099	--	--	8,061	--
Labour Market									
Employment (000's)	1,871	1,959	2,013	2,018	2,011	2,007	2,024	2,039	2,035
% change	4.8	4.7	2.9	3.1	2.2	2.0	2.5	3.1	3.2
Unemployment Rate (%)	3.4	3.5	3.5	3.3	3.6	3.5	3.8	3.7	3.4
Average Hourly Wage Rate	6.9	6.0	5.9	5.6	4.7	5.3	5.5	6.2	5.0
Average Weekly Earnings	4.9	4.5	4.9	4.6	3.3	5.3	5.8	4.3	--
Labour Income[2]	12.7	11.4	8.6	8.2	8.2	8.3	8.2	--	--
Price Indices									
Consumer Price Index	3.9	5.0	3.3	4.4	3.5	4.0	2.8	2.4	2.1
Excluding food and energy	4.0	4.9	2.1	1.8	1.5	1.5	1.1	1.3	1.8
Non-Res. Const. Cost Index[3] (quarterly)	12.2	17.3	14.7	--	15.7 (Q2)	--	--	16.1 (Q3)	--
Farm Product Price Index	-0.7	13.5	13.5	21.5	27.1	14.8	0.3	--	--
Crops	1.4	39.5	40.8	56.5	55.4	19.1	-2.3	--	--
Livestock	-2.4	0.8	-2.6	0.9	9.8	9.2	9.3	--	--
Household Sector									
Housing Starts (SAAR, 000's)	49.0	48.3	30.6	23.6	28.9	23.7	24.6	24.7	20.4
% change	19.9	-1.3	-37.6	-47.1	-35.6	-51.5	-56.8	-47.9	-53.2
New Housing Price Index	38.2	22.5	2.0	0.6	-2.7	-3.3	-3.4	-4.5	--
Edmonton	28.9	32.1	3.0	1.6	-5.3	-5.7	-5.8	-7.7	--
Calgary	43.6	16.2	1.5	0.1	-0.3	-1.1	-1.2	-1.6	--
MLS Average Resale Prices	30.9	24.3	-0.9	-0.1	-5.2	-5.2	-5.0	-3.7	-4.2
Edmonton	30.0	34.3	-1.6	-2.6	-5.3	-4.8	-5.6	-8.6	-2.0
Calgary	38.6	18.7	-2.3	-2.0	-7.8	-8.0	-6.0	-5.6	-6.0
Retail Sales	15.4	9.3	1.3	-3.2	0.6	-3.1	2.1	3.7	--
New Motor Vehicle Sales	11.9	3.3	-5.3	-13.1	-6.0	-13.5	-1.9	-2.3	--
Business Sector									
Public and Private Investment[4]	18.3	4.9	3.8	--	--	--	--	--	--
Mining and oil and gas[4]	16.2	-5.5	-0.8	--	--	--	--	--	--
Rigs Drilling	-2.6	-35.2	-1.3	-7.6	-1.7	10.7	6.9	18.4	3.5
Goods Exports (customs based)	1.9	5.5	38.6	29.9	69.0	41.5	43.6	46.5	--
Energy	-0.5	4.4	48.2	33.0	93.8	49.9	53.1	55.7	--
Agriculture	9.4	12.4	25.4	27.5	20.0	18.3	21.6	28.2	--
Total Farm Cash Receipts (quarterly)	-0.4	11.9	18.4	--	23.6 (Q2)	--	--	--	18.4 (Q3)
Manufacturing Shipments	6.5	1.9	9.6	17.1	22.2	10.0	20.6	8.5	--
Wholesale Trade	13.0	4.5	10.9	7.2	14.5	11.7	21.4	14.3	--
Building Permits	36.0	13.4	-15.8	-22.7	-14.9	-34.0	-12.2	-43.9	--
Residential	34.6	10.7	-30.3	-48.2	-39.9	-48.4	-37.9	-35.6	--
Non-residential	38.1	17.1	3.9	25.4	28.0	-11.5	28.9	-50.5	--

Alberta Finance and Enterprise

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30). Year-to-date value is actual 2008. The October population estimate is also the 2009 year-to-date value.

[2] Total income earning in Alberta including wages and salaries, and supplementary income.

[3] Average of Calgary and Edmonton.

[4] 2008 based on initial investment intentions, 2007 preliminary actuals.

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association) and Rigs Drilling (Canadian Association of Oilwell Drilling Contractors).

Alberta

CURRENT ECONOMIC INDICATORS, BY PROVINCE

	Canada	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Conference Board Forecast (Autumn 2008)											
Real GDP Growth											
2007 (actuals, Statistics Canada)	**2.7%**	9.1%	2.4%	1.7%	1.7%	2.7%	2.3%	3.3%	2.5%	**3.1%**	3.0%
2008	**0.7%**	1.5%	0.7%	1.5%	1.0%	0.9%	0.2%	2.7%	5.2%	**1.2%**	1.2%
2009	**1.5%**	-0.7%	1.3%	1.0%	0.8%	1.5%	0.8%	2.4%	3.6%	**2.6%**	1.8%
Population (As of October 1, 2008)											
Population	**33,441,277**	508,944	140,750	939,125	747,790	7,771,854	12,977,059	1,210,547	1,020,847	**3,610,782**	4,405,534
Annual Growth Rate[a]	**1.19%**	0.30%	1.54%	0.26%	0.19%	0.87%	1.07%	1.10%	1.49%	**2.36%**	1.64%
Net Interprovincial Migration											
2008 Census Year (July 1 2007 to June 30 2008)		1,299	42	-117	-325	-12,399	-16,522	-503	8,067	**10,010**	11,458
3rd Quarter (July 1 to September 30 2008)		823	127	-722	-741	-3,046	-3,200	-1,515	2,064	**4,927**	1,484
Employment (SA)											
Level Change (000s)[b]	**280.0**	3.7	1.0	5.9	3.6	33.3	102.8	10.2	10.1	**57.2**	52.2
Percent Change[b]	**1.7%**	1.7%	1.4%	1.3%	1.0%	0.9%	1.6%	1.7%	2.0%	**2.9%**	2.3%
Unemployment Rate, 2008 avg	**6.1**	13.1	10.6	7.7	8.6	7.3	6.4	4.1	4.1	**3.5**	4.5
Participation Rate, 2008 avg	**67.8**	59.6	68.8	63.9	64.8	65.7	68.1	69.6	69.6	**74.7**	66.6
Average Weekly Earnings (SA)											
October 2008	**801.24**	749.38	654.72	698.58	740.87	755.03	830.83	727.73	765.75	**888.73**	777.98
% Increase[c]	**2.9%**	3.8%	2.1%	2.3%	3.4%	2.5%	2.5%	3.0%	4.5%	**4.9%**	2.1%
Wage Settlements (September 2008)										**4.5%**	
CPI Inflation											
November Annual	**2.0%**	2.4%	2.3%	1.3%	0.6%	1.4%	2.1%	2.7%	3.2%	**2.1%**	2.0%
Excluding Shelter	**1.2%**	1.0%	1.3%	0.4%	0.4%	1.0%	1.2%	2.0%	1.1%	**1.2%**	1.9%
Housing Starts (000s)											
SAAR November 2008	**172.0**	2.7	0.8	3.6	3.9	48.2	58.4	5.9	5.7	**20.4**	22.3
Retail Sales											
Percent Change[c]	**4.8%**	9.1%	5.7%	5.8%	6.1%	6.0%	5.2%	8.7%	12.8%	**1.3%**	2.2%
Avg. Monthly % Change (Jan-Oct 2008)	**0.2%**	0.8%	0.5%	0.5%	0.6%	0.4%	0.2%	0.3%	0.5%	**0.0%**	-0.3%
Manufacturing Shipments											
Percent Change[d]	**0.8%**	33.0%	-2.4%	12.8%	24.2%	2.6%	-3.9%	1.9%	20.5%	**9.6%**	-6.1%

a. Over the past 12 months
b. January 2008 to November 2008 (YTD)
c. January 2008 to October 2008 (YTD)
d. January 2008 to October 2008 (YTD)
SA-Seasonally Adjusted
Source: Statistics Canada, Canada Mortgage and Housing Corporation and Conference Board of Canada

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